

ING Asia Pacific High Dividend Equity Income Fund

Form N-CSRS

November 04, 2010

**Table of Contents**

OMB APPROVAL  
OMB Number: 3235-0570  
Expires: August 31, 2011

Estimated average burden hours per response: 18.9

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES**

**Investment Company Act file number: 811-22004**

**ING Asia Pacific High Dividend Equity Income Fund**  
(Exact name of registrant as specified in charter)

**7337 E. Doubletree Ranch Rd., Scottsdale, AZ**

(Address of principal executive offices)

**85258**

(Zip code)

**Huey P. Falgout, Jr., 7337 Doubletree Ranch Rd. Scottsdale, AZ 85258**

(Name and address of agent for service)

Registrant's telephone number, including area code: **1-800-992-0180**

Date of fiscal year end: **February 28**

Date of reporting period: **August 31, 2010**

**Item 1. Reports to Stockholders.**

The following is a copy of the report transmitted to stockholders pursuant to Rule 30e-1 under the Act (17 CFR 270.30e-1):

---

**Table of Contents**

Semi-Annual Report

**August 31, 2010**

**ING Asia Pacific High Dividend Equity Income Fund**

**E-Delivery Sign-up details inside**

This report is submitted for general information to shareholders of the ING Funds. It is not authorized for distribution to prospective shareholders unless accompanied or preceded by a prospectus which includes details regarding the fund's investment objectives, risks, charges, expenses and other information. This information should be read carefully.

**FUNDS**

==

---

TABLE OF CONTENTS

<u>President's Letter</u>	1
<u>Market Perspective</u>	2
<u>Portfolio Managers' Report</u>	4
<u>Statement of Assets and Liabilities</u>	6
<u>Statement of Operations</u>	7
<u>Statements of Changes in Net Assets</u>	8
<u>Financial Highlights</u>	9
<u>Notes to Financial Statements</u>	10
<u>Summary Portfolio of Investments</u>	19
<u>Shareholder Meeting Information</u>	21
<u>Additional Information</u>	22
<u>EX-99.CERT</u>	
<u>EX-99.906CERT</u>	

**Go Paperless with E-Delivery!**

Sign up now for on-line prospectuses, fund reports, and proxy statements. In less than five minutes, you can help reduce paper mail and lower fund costs.

Just go to [www.ingfunds.com](http://www.ingfunds.com), click on the E-Delivery icon from the home page, follow the directions and complete the quick 5 Steps to Enroll.

You will be notified by e-mail when these communications become available on the internet. Documents that are not available on the internet will continue to be sent by mail.

**PROXY VOTING INFORMATION**

A description of the policies and procedures that the Fund uses to determine how to vote proxies related to portfolio securities is available (1) without charge, upon request, by calling Shareholder Services toll-free at (800) 992-0180; (2) on the Fund's website at [www.ingfunds.com](http://www.ingfunds.com) and (3) on the SEC's website at [www.sec.gov](http://www.sec.gov). Information regarding how the Fund voted proxies related to portfolio securities during the most recent 12-month period ended June 30 is available without charge on the Fund's website at [www.ingfunds.com](http://www.ingfunds.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov).

**QUARTERLY PORTFOLIO HOLDINGS**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. This report contains a summary portfolio of investments for the Fund. The Fund's Forms N-Q are available on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The Fund's Forms N-Q, as well as a complete portfolio of investments, are available without charge upon request from the Fund by calling Shareholder Services toll-free at (800) 992-0180.

---

**Table of Contents**

(THIS PAGE INTENTIONALLY LEFT BLANK)

---

**Table of Contents**

PRESIDENT'S LETTER

Dear Shareholder,

ING Asia Pacific High Dividend Equity Income Fund (the "Fund") is a diversified, closed-end management investment company whose shares are traded on the New York Stock Exchange under the symbol "IAE". The Fund's investment objective is total return through a combination of current income, realized capital gains and capital appreciation.

The Fund seeks to achieve its investment objective by investing primarily in a portfolio of high dividend yielding equity securities of Asia Pacific companies. The Fund also seeks to enhance total returns over a market cycle by selling call options on selected Asia Pacific Indices and/or equity securities of Asia Pacific Companies and/or exchange traded funds.

For the six month period ended August 31, 2010, the Fund made quarterly total distributions of \$0.87 per share, all consisting of net investment income. During the six month period, the Fund reduced its quarterly distribution from \$0.448 to \$0.426 per month, commencing with the distribution paid on July 15, 2010.

Based on net asset value ("NAV"), the Fund provided a total return of 3.00% for the six month period ended August 31, 2010.<sup>(1)</sup> This NAV return reflects a decrease in its NAV from \$17.02 on February 28, 2010 to \$16.68 on August 31, 2010. Based on its share price as of August 31, 2010, the Fund provided a total return of (2.71)% for the six month period ended August 31, 2010.<sup>(2)</sup> This share price return reflects a decrease in its share price from \$18.05 on February 28, 2010 to \$16.71 on August 31, 2010.

The global equity markets have witnessed a challenging and turbulent period. Please read the Market Perspective and Portfolio Managers' Report for more information on the market and the Fund's performance.

At ING Funds our mission is to set the standard in helping our clients manage their financial future. We seek to assist you and your financial advisor by offering a range of global investment solutions. We invite you to visit our website at [www.ingfunds.com](http://www.ingfunds.com). Here you will find information on our products and services, including current market data and fund statistics on our open- and closed-end funds. You will see that we offer a broad variety of equity, fixed income and multi-asset funds that aim to fulfill a variety of investor needs.

We thank you for trusting ING Funds with your investment assets, and we look forward to serving you in the months and years ahead.

Sincerely,

Shaun P. Mathews  
President & Chief Executive Officer  
ING Funds  
October 8, 2010

The views expressed in the President's Letter reflect those of the President as of the date of the letter. Any such views are subject to change at any time based upon market or other conditions and ING Funds disclaim any responsibility to

update such views. These views may not be relied on as investment advice and because investment decisions for an ING Fund are based on numerous factors, may not be relied on as an indication of investment intent on behalf of any ING Fund. Reference to specific company securities should not be construed as recommendations or investment advice. International investing does pose special risks including currency fluctuation, economic and political risks not found in investments that are solely domestic.

**For more complete information, or to obtain a prospectus for any ING Fund, please call your Investment Professional or the Fund's Shareholder Service Department at (800) 992-0180 or log on to [www.ingfunds.com](http://www.ingfunds.com). The prospectus should be read carefully before investing. Consider the fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this information and other information about the fund. Check with your Investment Professional to determine which funds are available for sale within their firm. Not all funds are available for sale at all firms.**

- (1) Total investment return at net asset value has been calculated assuming a purchase at net asset value at the beginning of each period and a sale at net asset value at the end of each period and assumes reinvestment of dividends, capital gain distributions and return of capital distributions/allocations, if any, in accordance with the provisions of the Fund's dividend reinvestment plan.
- (2) Total investment return at market value measures the change in the market value of your investment assuming reinvestment of dividends, capital gain distributions, and return of capital distributions/allocations, if any, in accordance with the provisions of the Fund's dividend reinvestment plan.

**Table of Contents**

Market Perspective: Six Months Ended August 31, 2010

Our previous fiscal year ended near the anniversary of March 9, 2009, when global equities in the form of the MSCI World Index<sup>sm</sup> measured in local currencies, including net reinvested dividends ( MSCI for regions discussed below), touched levels last seen six years earlier. From that low point, the index was 58% higher as the new fiscal year started and continued to rise through mid April 2010. But from there a confluence of local and global concerns sent prices on a downward path. For the six months to August 31, 2010 global equities fell 3.35%. (The MSCI World Index<sup>sm</sup> fell 3.48% for the six months ended August 31, 2010, measured in U.S. dollars.) In currencies, the dollar gained 7.3% against the euro, but lost 4.7% to the yen and 1.8% against the pound.

The 12-month rally in equities had become increasingly edgy. The rescue of failing institutions by governments and central banks in Europe and the U.S., together with unprecedented fiscal and monetary stimulus to counter the ensuing recession, had led to enormous, unsustainable budget deficits. Not only would stimulus programs end, but debt would need to be wound down.

Beacons of hope in this rather bleak outlook were the United States and emerging markets, centered on China. The U.S. with its vast, dynamic, flexible economy would surely bounce back most quickly in the developed world and generate global economic activity. Emerging market economies, much more fiscally robust these days, had never suffered much of a financial crisis and recession anyway and were again showing vibrant growth. The demand for capital goods from China might sustain Japan's export led revival, while in Europe, growth may be tepid but at least the situation was stable.

By early May all of these premises were disintegrating, the erosion gathering pace over the summer, as attention lurched from one economic statistic to the next.

In the U.S., the critical housing market seemed to be improving, boosted by tax credits for home buyers. After sliding for more than three years, house prices (based on the S&P/Case-Shiller 20-City Composite Home Price Index), finally showed year-over-year increases from February. But when the credits expired, sales of new and existing homes slumped to multi-year low levels. Prices would surely follow. Unemployment remained stubbornly high, near 10%, barely scratched by new private sector jobs only averaging about 50,000 per month. Gross Domestic Product ( GDP ) growth in the second quarter of 2010 decelerated to 1.6% annualized. In July testimony, Federal Reserve Chairman Bernanke referred to an unusually uncertain outlook, exactly what investors didn't want to hear and three weeks later the Federal Open Market Committee formally downgraded its assessment for the U.S. economy. Record low Treasury bond yields in the U.S., Germany and the U.K. in August were compelling evidence to some commentators that developed economies were on the cusp of a second recession.

China's version of a recession was to grow at only 9.1% in 2009. In response, the government instructed the banks to expand lending. They did so and first quarter GDP growth rebounded to 11.9%. But inflation picked up and a housing bubble developed. The authorities quickly back-pedaled and repeatedly raised banks' reserve ratio requirements while tightening the rules on mortgage issuance. Second quarter GDP growth slipped to 10.3% and by the end of August the official Chinese manufacturing purchasing managers suggested the slowest activity in 17 months. The unofficial version compiled by HSBC signaled contraction.

In the Eurozone, default on billions of euro of Greece's maturing bonds loomed. Amid downgrades, ballooning yields, fears of contagion and doubts about the viability of the euro itself, Eurozone countries dithered until, at last in May, finance ministers and the International Monetary Fund agreed on a Financial Stabilization mechanism funded with up to 750 billion. The European Central Bank ( ECB ) started buying the worst-affected countries' sovereign debt, much of



it held in the vulnerable European banking system. The new mechanism and positive results from some rather soft stress testing on banks in July seemed to calm nerves. But uncertainty remained: August ended with a gaping 9.48% spread between the yields on Greek and German 10-year bonds.

U.S. equities, represented by the S&P 500® Index including dividends, fell 4.04% in the first half of the fiscal year. Early economic data were, on balance, favorable, with stock prices also supported by strong earnings reports. First quarter operating earnings per share for S&P 500® companies were, on average, about 92% above those for the corresponding quarter of 2009. By April 23, 2010 the index was up over 10% and at the high point for 2010, before factors described above drove investor sentiment and the market back down amid surging volatility.

In international markets, the MSCI Japan® Index sagged 9.72% for the six months through August. Apparently impressive 1.1% quarterly GDP growth in the first quarter was heavily exports-dependent and gave way to a barely perceptible 0.1% in the second, with domestic demand and consumer prices falling. The MSCI Europe ex UK® Index fell just 0.05%. The sovereign debt trauma subsided after it became clear that the ECB stood behind the banking system, and stress testing on the latter at least revealed no new problems. In the meantime, GDP grew 1.0% in the second quarter. The MSCI UK® Index slipped 0.61%, but excluding BP would have risen about 2%. Having suffered during the sovereign debt crisis due to the U.K.'s own 11% budget deficit, investors seemed to take heart from the newly elected coalition government's aggressively austere budget that would reduce the deficit to 3.9% by 2015. Supporting this was the return to profit of most banks and second quarter GDP growth of 1.2%.

**Parentheses denote a negative number.**

**Past performance does not guarantee future results. The performance quoted represents past performance. Investment return and principal value of an investment will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. The Fund's performance is subject to change since the period's end and may be lower or higher than the performance data shown. Please call (800) 992-0180 or log on to [www.ingfunds.com](http://www.ingfunds.com) to obtain performance data current to the most recent month end.**

*Market Perspective reflects the views of ING's Chief Investment Risk Officer only through the end of the period, and is subject to change based on market and other conditions.*

**Table of Contents**

Benchmark Descriptions

<b>Index</b>	<b>Description</b>
MSCI World Index <sup>sm</sup>	An unmanaged index that measures the performance of over 1,400 securities listed on exchanges in the U.S., Europe, Canada, Australia, New Zealand and the Far East.
S&P/Case-Shiller 20-City Composite Home Price Index	A composite index of the home price index for the top 20 Metropolitan Statistical Areas in the United States. The index is published monthly by Standard & Poor's.
S&P 500 <sup>®</sup> Index	An unmanaged index that measures the performance of securities of approximately 500 large-capitalization companies whose securities are traded on major U.S. stock markets.
MSCI Japan <sup>®</sup> Index	A free float-adjusted market capitalization index that is designed to measure developed market equity performance in Japan.
MSCI Europe ex UK <sup>®</sup> Index	A free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe, excluding the UK.
MSCI UK <sup>®</sup> Index	A free float-adjusted market capitalization index that is designed to measure developed market equity performance in the UK.
MSCI All Country Asia Pacific ex-Japan <sup>®</sup> Index	A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Asia, excluding Japan. As of January 2009 the index consisted of the following 10 developed and emerging market country indices: China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, and Thailand.

**Table of Contents**

ING Asia Pacific High Dividend Equity Income Fund  
 Portfolio Managers Report

**Country Allocation  
 as of August 31, 2010  
 (as a percent of net assets)**

Australia	25.5%
Hong Kong	13.8%
China	13.4%
South Korea	13.4%
Taiwan	11.5%
India	6.8%
Singapore	6.2%
Malaysia	3.2%
Indonesia	2.4%
Thailand	1.6%
New Zealand	0.4%
Philippines	0.3%
Other Assets and Liabilities Net	1.5%
Net Assets	100.0%

***Portfolio holdings are subject to change daily.***

ING Asia Pacific High Dividend Equity Income Fund (the Fund) is a diversified, closed-end fund with the investment objective of total return through a combination of current income, realized capital gains and capital appreciation.

The Fund seeks to achieve its investment objective by investing primarily in a portfolio of high dividend yielding equity securities of Asia Pacific Companies<sup>(1)</sup>, which are selected by one of the Fund's sub-advisers<sup>(2)</sup> according to a

## Edgar Filing: ING Asia Pacific High Dividend Equity Income Fund - Form N-CSRS

combination of quantitative and fundamental criteria. The Fund also seeks to enhance returns over a market cycle by selling call options on selected Asia Pacific Indices and/or equity securities of Asia Pacific companies and/or exchange traded funds ( ETFs ).

The Fund is managed by Pranay Gupta and Bing Li, Portfolio Managers, of ING Investment Management Asia/Pacific (Hong Kong) Limited; and Bas Peeters, Willem van Dommelen and Edwin Cuppen, Portfolio Managers of ING Investment Management Advisors B.V.\*

**Equity Portfolio Construction:** The Fund uses an initial screening process to select potential stocks for the portfolio from the broader universe:

- 1) Dividend yield (currently above 2.5%)
- 2) Sufficient market capitalization
- 3) Sufficient liquidity of equity securities
- 4) The sub-adviser then uses an internally developed quantitative model to identify what it believes are the most attractive candidates, which will undergo further review by the team's fundamental analysts before inclusion in the portfolio
- 5) Under normal market conditions, the Fund invests in 90 to 170 dividend producing equity securities of Asia Pacific companies
- 6) The Fund employs a strategy of writing call options on selected Asia Pacific indices and/or equity securities of Asia Pacific companies and/or ETFs, with the underlying value of such calls representing 0% to 50% of the value of its holdings in equity securities

**Performance:** Based on net asset value ( NAV ) as of August 31, 2010, the Fund provided a total return of 3.00% for the six month period. This NAV return reflects a decrease in its NAV from \$17.02 on February 28, 2010 to \$16.68 on August 31, 2010.

Based on its share price as of August 31, 2010, the Fund provided a total return of (2.71)% for the six month period. This share price return reflects a decrease in its share price from \$18.05 on February 28, 2010 to \$16.71 on August 31, 2010. To reflect the strategic emphasis of the Fund, the equity portfolio uses the MSCI All Country ( AC ) Asia Pacific ex-Japan<sup>®</sup> Index as a reference index. The MSCI AC Asia Pacific ex-Japan<sup>®</sup> Index (a market weighted equity index without any style tilt and without call option writing) returned 3.45% for the reporting period.

\* Effective July 15, 2010, Pranay Gupta and Bing Li replaced Teik Cheah and Bratin Sanyal as portfolio managers to the Fund. Effective September 30, 2010, Frank van Etten was removed as portfolio manager to the Fund and Edwin Cuppen was added as portfolio manager to the Fund.

- (1) Asia Pacific companies are companies that are listed and traded principally on Asia Pacific exchanges, including Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan and Thailand.
- (2) ING Investments, LLC is the Fund's investment adviser. ING Investment Management Asia/Pacific (Hong Kong) Limited and ING Investment Management Advisors B.V. are the Fund's sub-advisers. ING Investment Management Asia/Pacific (Hong Kong) Limited is the sub-adviser responsible for implementing the overall investment strategy, while ING Investment Management Advisors B.V. is the sub-adviser responsible for structuring and implementing the Fund's sale of call options.

**Top Ten Holdings**  
**as of August 31, 2010**  
*(as a percent of net assets)*

BHP Billiton Ltd.	3.8%
China Mobile Ltd.	2.3%
Samsung Electronics Co., Ltd.	2.3%
Westpac Banking Corp.	1.9%
Taiwan Semiconductor Manufacturing Co., Ltd.	1.9%
Commonwealth Bank of Australia	1.8%
National Australia Bank Ltd.	1.6%
China Construction Bank	1.6%
Industrial and Commercial Bank of China Ltd.	1.4%
Bank of China Ltd.	1.4%

*Portfolio holdings are subject to change daily.*

**Table of Contents**

ING Asia Pacific High Dividend Equity Income Fund  
Portfolio Managers Report

During the period, the Fund made total quarterly distributions of \$0.87 per share, all consisting of net investment income. During the six month period, the Fund reduced its quarterly distribution from \$0.448 to \$0.426 per quarter, commencing with the distribution paid on July 15, 2010. As of August 31, 2010, the Fund had 12,359,527 shares outstanding.

**Market Review:** During the reporting period, as the Greek sovereign debt issue intensified, the Asia Pacific markets proved more resilient than Europe or the United States. Market volatility spiked significantly in the April to June period as markets declined, and fell thereafter as markets recovered. Volatility remains somewhat higher than levels prevailing before the onset of the recent financial crisis.

During the period, China eclipsed Japan as the world's second-largest economy behind the U.S. This is the culmination of a multi-decade trend which has seen Japan struggle to shake off the malaise that has gripped it since the early 1990s while China has grown increasingly important to the global economy.

Toward period-end, a string of disappointing economic figures in the United States, the Federal Reserve downgrading its growth outlook for the year and the Chinese economy experiencing a slowdown, prompted investors to shift their worries from sovereign debt to more general unease about global economic growth.

**Equity Portfolio:** The equity portfolio underperformed for the semi-annual period, due to negative security selection effects. The Fund's overall underweight in the materials, industrials and information technology sectors and an overweight in the telecommunication services sector contributed to a positive allocation effect, while underweights in defensive sectors such as consumer staples and utilities detracted from results. Stock selection of high dividend stocks within materials, consumer discretionary and consumer staples hurt significantly, whereas selection in energy, industrials and information technology only helped slightly. Underweights and stock selection within South Korea, China and India detracted while an underweight in Indonesia and an overweight in Hong Kong helped the Fund's return.

**Option Portfolio:** During the reporting period call options were written against Asian/Pacific indices (ASX, KOSPI, TWSE and Hang Seng). The option portfolio consists of a basket of short-dated index options. The options were generally sold having a maturity in the range of four to five weeks. The coverage ratio for the Asian Pacific portfolio was approximately 25%. The options were generally sold at-the-money. Volatilities spiked in April through June, but fell thereafter as markets recovered. The options strategy added value during the period with the total premium collected exceeding the amount that had to be settled at expiry.

**Current Strategy & Outlook:** High-dividend strategies are designed to dampen volatility versus the broader market across an investment cycle. In our view, the need for developed economies to contain and reduce budget deficits, and the associated outlook for continued positive but muted growth, is likely to be reflected in equity markets that could trade higher over time but with sustained higher volatility levels. This backdrop should favor dividend yielding stocks, which tend to be more robust in times of uncertainty, as well as the generation of attractive levels of premiums through the option overlay.

We see attractive opportunities in the Asia Pacific markets over the medium to long term. Even with reduced prospects, gross domestic product growth estimates for the Asia Pacific ex-Japan region are significantly higher than other major regions. We are seeing more Asian companies with what we believe are attractive and sustainable dividend yields. We believe the Fund's relatively low coverage ratio may allow it to participate in any upside potential

should the markets wend their way higher over time.

*Portfolio holdings and characteristics are subject to change and may not be representative of current holdings and characteristics.*

*Performance data represents past performance and is no guarantee of future results.*

*An index has no cash in its portfolio, imposes no sales charges and incurs no operating expenses. An investor cannot invest directly in an index.*

**Table of Contents**

STATEMENT OF ASSETS AND LIABILITIES as of August 31, 2010 (Unaudited)

**ASSETS:**

Investments in securities at value*	\$ 203,103,655
Cash	1,883,130
Foreign currencies at value**	587,486
Receivables:	
Investment securities sold	530,875
Dividends and interest	983,139
Prepaid expenses	564
 Total assets	 207,088,849

**LIABILITIES:**

Payable for investment securities purchased	101,867
Payable to affiliates	209,462
Payable for trustee fees	6,617
Other accrued expenses and liabilities	142,564
Written options, at fair value^	512,177
 Total liabilities	 972,687

**NET ASSETS (equivalent to \$16.68 per share on 12,359,527 shares outstanding)** \$ 206,116,162

**NET ASSETS WERE COMPRISED OF:**

Paid-in capital shares of beneficial interest at \$0.01 par value (unlimited shares authorized)	\$ 258,718,265
Distributions in excess of net investment income	(7,654,263)
Accumulated net realized loss	(52,338,169)
Net unrealized appreciation	7,390,329

**NET ASSETS** \$ 206,116,162

* Cost of investments in securities	\$ 196,262,395
** Cost of foreign currencies	\$ 588,864
^ Premiums received from written options	\$ 1,067,093

See Accompanying Notes to Financial Statements



**Table of Contents**

## STATEMENT OF OPERATIONS for the six months ended August 31, 2010 (Unaudited)

**INVESTMENT INCOME:**

Dividends, net of foreign taxes withheld*	\$ 4,074,662
Interest, net of foreign taxes withheld*	110,467
Total investment income	4,185,129

**EXPENSES:**

Investment management fees	1,211,055
Transfer agent fees	10,424
Administrative service fees	105,308
Shareholder reporting expense	36,795
Professional fees	34,451
Custody and accounting expense	89,871
Trustee fees	488
Miscellaneous expense	17,015
Total expenses	1,505,407
Net investment income	2,679,722

**REALIZED AND UNREALIZED GAIN (LOSS):**

Net realized gain (loss) on:	
Investments	18,500,431
Foreign currency related transactions	(126,426)
Written options	774,073
Net realized gain	19,148,078
Net change in unrealized appreciation or depreciation on:	
Investments	(16,035,070)
Foreign currency related transactions	(11,785)
Written options	697,880
Net change in unrealized appreciation or depreciation	(15,348,975)
Net realized and unrealized gain	3,799,103
<b>Increase in net assets resulting from operations</b>	<b>\$ 6,478,825</b>

\* Foreign taxes withheld \$ 344,947

See Accompanying Notes to Financial Statements

**Table of Contents**

## STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

	<b>Six Months Ended August 31, 2010</b>	<b>Year Ended February 28, 2010</b>
<b>FROM OPERATIONS:</b>		
Net investment income	\$ 2,679,722	\$ 3,839,802
Net realized gain (loss)	19,148,078	(23,742,251)
Net change in unrealized appreciation or depreciation	(15,348,975)	112,242,404
Increase in net assets resulting from operations	6,478,825	92,339,955
<b>FROM DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Net investment income	(10,735,687)	(4,130,460)
Return of capital		(19,471,116)
Total distributions	(10,735,687)	(23,601,576)
<b>FROM CAPITAL SHARE TRANSACTIONS:</b>		
Reinvestment of distributions	1,762,293	2,179,637
Cost of shares redeemed		(527,346)
Net increase in net assets resulting from capital share transactions	1,762,293	1,652,291
Net increase (decrease) in net assets	(2,494,569)	70,390,670
<b>NET ASSETS:</b>		
Beginning of period	208,610,731	138,220,061
End of period	\$ 206,116,162	\$ 208,610,731
Undistributed (distributions in excess of) net investment income	\$ (7,654,263)	\$ 401,702

See Accompanying Notes to Financial Statements

**Table of Contents**ING Asia Pacific High Dividend Equity Income Fund  
Financial Highlights (Unaudited)

Selected data for a share of beneficial interest outstanding throughout the year or period.

		<b>Six Months Ended August 31, 2010</b>	<b>Year Ended February 28, 2010</b>	<b>Year Ended February 28, 2009</b>	<b>March 27, 2007<sup>(1)</sup> to February 29, 2008</b>
<b>Per Share Operating Performance:</b>					
Net asset value, beginning of period	\$	17.02	11.34	22.99	23.83 <sup>(2)</sup>
Income (loss) from investment operations:					
Net investment income	\$	0.22	0.32*	0.64*	0.72
Net realized and unrealized gain (loss) on investments	\$	0.31	7.30	(10.30)	0.13
Total from investment operations	\$	0.53	7.62	(9.66)	0.85
Less distributions from:					
Net investment income	\$	0.87	0.34	0.64	0.77
Net realized gains on investments	\$				0.92
Return of capital	\$		1.60	1.35	
Total distributions	\$	0.87	1.94	1.99	1.69
Net asset value, end of period	\$	16.68	17.02	11.34	22.99
Market value, end of period	\$	16.71	18.05	10.18	20.65
<b>Total investment return at net asset value<sup>(3)</sup></b>	<b>%</b>	<b>3.00</b>	<b>69.95</b>	<b>(43.57)</b>	<b>3.61</b>
<b>Total investment return at market value<sup>(4)</sup></b>	<b>%</b>	<b>(2.71)</b>	<b>100.78</b>	<b>(43.61)</b>	<b>(11.31)</b>
<b>Ratios and Supplemental Data:</b>					
Net assets, end of period (000 s)	\$	206,116	208,611	138,220	281,759
Ratios to average net assets:					
Gross expenses prior to expense waiver <sup>(5)</sup>	%	1.43	1.41	1.45	1.42
Net expenses after expense waiver <sup>(5)</sup>	%	1.43	1.41	1.45	1.40
Net investment income after expense waiver <sup>(5)</sup>	%	2.54	1.98	3.61	3.11
Portfolio turnover rate	%	56	31	55	121

(1) Commencement of operations.

(2) Net asset value at beginning of period reflects the deduction of the sales load of \$1.125 per share and offering costs of \$0.05 per share paid by the shareholder from the \$25.00 offering price.

- (3) Total investment return at net asset value has been calculated assuming a purchase at net asset value at the beginning of each period and a sale at net asset value at the end of each period and assumes reinvestment of dividends, capital gain distributions and return of capital distributions/allocations, if any, in accordance with the provisions of the dividend reinvestment plan. Total investment return at net asset value is not annualized for periods less than one year.
  - (4) Total investment return at market value measures the change in the market value of your investment assuming reinvestment of dividends, capital gain distributions and return of capital distributions/allocations, if any, in accordance with the provisions of the Fund's dividend reinvestment plan. Total investment return at market value is not annualized for periods less than one year.
  - (5) Annualized for periods less than one year.
- \* Calculated using average number of shares outstanding throughout the period.

See Accompanying Notes to Financial Statements

**Table of Contents**

NOTES TO FINANCIAL STATEMENTS as of August 31, 2010 (Unaudited)

**NOTE 1 ORGANIZATION**

ING Asia Pacific High Dividend Equity Income Fund (the Fund) is a diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). Pursuant to guidance from the U.S. Securities and Exchange Commission, the Fund's classification changed from a non-diversified fund to a diversified fund. As a result of this classification change, the Fund is limited in the proportion of its assets that may be invested in the securities of a single issuer. Further, the classification change to a diversified fund may cause the Fund to benefit less from appreciation in a single issuer than if it had greater exposure to that issuer. The Fund is organized as a Delaware statutory trust.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

The following significant accounting policies are consistently followed by the Fund in the preparation of its financial statements, and such policies are in conformity with U.S. generally accepted accounting principles for investment companies.

*A. Security Valuation.* Investments in equity securities traded on a national securities exchange are valued at the last reported sale price. Securities reported by NASDAQ are valued at the NASDAQ official closing prices. Securities traded on an exchange or NASDAQ for which there has been no sale and equity securities traded in the over-the-counter-market are valued at the mean between the last reported bid and ask prices. All investments quoted in foreign currencies will be valued daily in U.S. dollars on the basis of the foreign currency exchange rates prevailing at that time. Debt securities with more than 60 days to maturity are valued using matrix pricing methods determined by an independent pricing service which takes into consideration such factors as yields, maturities, liquidity, ratings and traded prices in similar or identical securities. Securities for which valuations are not readily available from an independent pricing service may be valued by brokers which use prices provided by market makers or estimates of fair market value obtained from yield data relating to investments or securities with similar characteristics. Investments in open-end mutual funds are valued at the net asset value. Investment in securities of sufficient credit quality, maturing 60 days or less from date of acquisition are valued at amortized cost which approximates fair value.

Securities and assets for which market quotations are not readily available (which may include certain restricted securities that are subject to limitations as to their sale) are valued at their fair values, as defined by the 1940 Act, and as determined in good faith by or under the supervision of the Fund's Board of Trustees (Board), in accordance with methods that are specifically authorized by the Board. Securities traded on exchanges, including foreign exchanges, which close earlier than the time that the Fund calculates its net asset value (NAV) may also be valued at their fair values, as defined by the 1940 Act and as determined in good faith by or under the supervision of the Board, in accordance with methods that are specifically authorized by the Board. The value of a foreign security traded on an exchange outside the United States is generally based on its price on the principal foreign exchange where it trades as of the time the Fund determines its NAV or if the foreign exchange closes prior to the time the Fund determines its NAV, the most recent closing price of the foreign security on its principal exchange. Trading in certain non-U.S. securities may not take place on all days on which the NYSE Euronext (NYSE) is open. Further, trading takes place in various foreign markets on days on which the NYSE is not open. Consequently, the calculation of the Fund's NAV may not take place contemporaneously with the determination of the prices of securities held by the Fund in foreign securities markets. Further, the value of the Fund's assets may be significantly affected by foreign trading on days when a shareholder cannot purchase or redeem shares of the Fund. In calculating the Fund's NAV, foreign securities denominated in foreign currency are converted to U.S. dollar equivalents. If an event occurs after the time at which the market for foreign securities held by the Fund closes but before the time that the Fund's NAV is calculated, such event may cause the closing price on the foreign exchange to not represent a readily available reliable market

value quotation for such securities at the time the Fund determines its NAV. In such a case, the Fund will use the fair value of such securities as determined under the Fund's valuation procedures. Events after the close of trading on a foreign market that could require the Fund to fair value some or all of its foreign securities include, among others, securities trading in the U.S. and other markets, corporate announcements, natural and other disasters, and political and other events. Among other elements of analysis in the determination of a security's fair value, the Board has authorized the use of one or more independent

**Table of Contents**

NOTES TO FINANCIAL STATEMENTS as of August 31, 2010 (Unaudited) (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

research services to assist with such determinations. An independent research service may use statistical analyses and quantitative models to help determine fair value as of the time the Fund calculates its NAV. There can be no assurance that such models accurately reflect the behavior of the applicable markets or the effect of the behavior of such markets on the fair value of securities, or that such markets will continue to behave in a fashion that is consistent with such models. Unlike the closing price of a security on an exchange, fair value determinations employ elements of judgment. Consequently, the fair value assigned to a security may not represent the actual value that the Fund could obtain if it were to sell the security at the time of the close of the NYSE. Pursuant to procedures adopted by the Board, the Fund is not obligated to use the fair valuations suggested by any research service, and valuation recommendations provided by such research services may be overridden if other events have occurred or if other fair valuations are determined in good faith to be more accurate. Unless an event is such that it causes the Fund to determine that the closing prices for one or more securities do not represent readily available reliable market value quotations at the time the Fund determines its NAV, events that occur between the time of the close of the foreign market on which they are traded and the close of regular trading on the NYSE will not be reflected in the Fund's NAV.

Options that are traded over-the-counter will be valued using one of three methods: (1) dealer quotes; (2) industry models with objective inputs; or (3) by using a benchmark arrived at by comparing prior-day dealer quotes with the corresponding change in the underlying security or index. Exchange traded options will be valued using the last reported sale. If no last sale is reported, exchange traded options will be valued using an industry accepted model such as Black Scholes. Options on currencies purchased by the Fund are valued using industry models with objective inputs at their last bid price in the case of listed options or at the average of the last bid prices obtained from dealers in the case of over-the-counter options.

Fair value is defined as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Each investment asset or liability of the Fund is assigned a level at measurement date based on the significance and source of the inputs to its valuation. Quoted prices in active markets for identical securities are classified as Level 1, inputs other than quoted prices for an asset or liability that are observable are classified as Level 2 and unobservable inputs, including the sub-adviser's judgment about the assumptions that a market participant would use in pricing an asset or liability are classified as Level 3. The inputs used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Short-term securities of sufficient credit quality which are valued at amortized cost, which approximates fair value, are generally considered to be Level 2 securities under applicable accounting rules. A table summarizing the Fund's investments under these levels of classification is included following the Summary Portfolio of Investments.

For the six months ended August 31, 2010, there have been no significant changes to the fair valuation methodologies.

*B. Security Transactions and Revenue Recognition.* Security transactions are recorded on the trade date. Realized gains or losses on sales of investments are calculated on the identified cost basis. Interest income is recorded on the accrual basis. Premium amortization and discount accretion are determined using the effective yield method. Dividend income is recorded on the ex-dividend date, or in the case of some foreign dividends, when the information becomes available to the Fund.

*C. Foreign Currency Translation.* The books and records of the Fund are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:



Edgar Filing: ING Asia Pacific High Dividend Equity Income Fund - Form N-CSRS

- (1) Market value of investment securities, other assets and liabilities at the exchange rates prevailing at the end of the day.
- (2) Purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

Although the net assets and the market values are presented at the foreign exchange rates at the end of the day, the Fund does not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gains or losses from investments. For securities, which are subject to foreign withholding tax

**Table of Contents**

NOTES TO FINANCIAL STATEMENTS as of August 31, 2010 (Unaudited) (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

upon disposition, liabilities are recorded on the Statement of Assets and Liabilities for the estimated tax withholding based on the securities current market value. Upon disposition, realized gains or losses on such securities are recorded net of foreign withholding tax. Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in securities at period end, resulting from changes in the exchange rate. Foreign security and currency transactions may involve certain considerations and risks not typically associated with investing in U.S. companies and U.S. government securities. These risks include, but are not limited to, revaluation of currencies and future adverse political and economic developments which could cause securities and their markets to be less liquid and prices more volatile than those of comparable U.S. companies and U.S. government securities. The foregoing risks are even greater with respect to securities in emerging markets.

*D. Distributions to Shareholders.* The Fund intends to make quarterly distributions from its cash available for distribution, which consists of the Fund's dividends and interest income after payment of Fund expenses, net option premiums and net realized and unrealized gains on investments. At least annually, the Fund intends to distribute all or substantially all of its net realized capital gains. Distributions are recorded on the ex-dividend date. Distributions are determined annually in accordance with federal tax principles, which may differ from U.S. generally accepted accounting principles for investment companies.

The tax treatment and characterization of the Fund's distributions may vary significantly from time to time depending on whether the Fund has gains or losses on the call options written on its portfolio versus gains or losses on the equity securities in the portfolio. Each quarter, the Fund will provide disclosures with distribution payments made that estimate the percentages of that distribution that represent net investment income, other income or capital gains, and return of capital, if any. The final composition of the tax characteristics of the distributions cannot be determined with certainty until after the end of the Fund's tax year, and will be reported to shareholders at that time. A significant portion of the Fund's distributions may constitute a return of capital. The amount of quarterly distributions will vary, depending on a number of factors. As portfolio and market conditions change, the rate of dividends on the common shares will change. There can be no assurance that the Fund will be able to declare a dividend in each period.

*E. Federal Income Taxes.* It is the policy of the Fund to comply with the requirements of subchapter M of the Internal Revenue Code that are applicable to regulated investment companies and to distribute substantially all of its net investment income and any net realized capital gains to its shareholders. Therefore, a federal income tax or excise tax provision is not required. Management has considered the sustainability of the Fund's tax positions taken on federal income tax returns for all open tax years in making this determination. No capital gain distributions shall be made until the capital loss carryforwards have been fully utilized or expire.

*F. Use of Estimates.* The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

*G. Risk Exposures and the use of Derivative Instruments.* The Fund's investment objectives permit the Fund to enter into various types of derivatives contracts, including, but not limited to, forward foreign currency exchange contracts

and purchased and written options. In doing so, the Fund will employ strategies in differing combinations to permit it to increase or decrease the level of risk, or change the level or types of exposure to market risk factors. This may allow the Fund to pursue its objectives more quickly, and efficiently than if it were to make direct purchases or sales of securities capable of affecting a similar response to market factors.

*Market Risk Factors.* In pursuit of its investment objectives, the Fund may seek to use derivatives to

**Table of Contents**

NOTES TO FINANCIAL STATEMENTS as of August 31, 2010 (Unaudited) (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

increase or decrease its exposure to the following market risk factors:

*Credit Risk.* Credit risk relates to the ability of the issuer to meet interest and principal payments, or both, as they come due. In general, lower-grade, higher-yield bonds are subject to credit risk to a greater extent than lower-yield, higher-quality bonds.

*Equity Risk.* Equity risk relates to the change in value of equity securities as they relate to increases or decreases in the general market.

*Foreign Exchange Rate Risk.* Foreign exchange rate risk relates to the change in U.S. dollar value of a security held that is denominated in a foreign currency. The U.S. dollar value of a foreign currency denominated security will decrease as the dollar appreciates against the currency, while the U.S. dollar value will increase as the dollar depreciates against the currency.

*Interest Rate Risk.* Interest rate risk refers to the fluctuations in value of fixed-income securities resulting from the inverse relationship between price and yield. For example, an increase in general interest rates will tend to reduce the market value of already issued fixed-income investments, and a decline in general interest rates will tend to increase their value. In addition, debt securities with longer durations, which tend to have higher yields, are subject to potentially greater fluctuations in value from changes in interest rates than obligations with shorter durations.

*Risks of Investing in Derivatives.* The Fund's use of derivatives can result in losses due to unanticipated changes in the market risk factors and the overall market. In instances where the Fund is using derivatives to decrease, or hedge, exposures to market risk factors for securities held by the Fund, there are also risks that those derivatives may not perform as expected resulting in losses for the combined or hedged positions.

The use of these strategies involves certain special risks, including a possible imperfect correlation, or even no correlation, between price movements of derivative instruments and price movements of related investments. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in related investments or otherwise, due to the possible inability of the Fund to purchase or sell a portfolio security at a time that otherwise would be favorable or the possible need to sell a portfolio security at a disadvantageous time because the Fund is required to maintain asset coverage or offsetting positions in connection with transactions in derivative instruments. Additional associated risks from investing in derivatives also exist and potentially could have significant effects on the valuation of the derivative and the Fund. Associated risks are not the risks that the Fund is attempting to increase or decrease exposure to, per its investment objectives, but are the additional risks from investing in derivatives. Examples of these associated risks are liquidity risk, which is the risk that the Fund will not be able to sell the derivative in the open market in a timely manner, and counterparty credit risk, which is the risk that the counterparty will not fulfill its obligation to the Fund. Associated risks can be different for each type of derivative and are discussed by each derivative type in the following notes.

*Counterparty Credit Risk and Credit Related Contingent Features.* Certain derivative positions are subject to counterparty credit risk, which is the risk that the counterparty will not fulfill its obligation to the Fund. The Fund's derivative counterparties are financial institutions who are subject to market conditions that may weaken their financial position. The Fund intends to enter into financial transactions with counterparties that it believes to be creditworthy at the time of the transaction. To reduce this risk, the Fund generally enters into master netting

arrangements, established within the Fund's International Swap and Derivatives Association, Inc. ( ISDA ) Master Agreements ( Master Agreements ). These agreements are with select counterparties and they govern transactions, including certain over-the-counter ( OTC ) derivative and forward foreign currency contracts, entered into by the Fund and the counterparty. The Master Agreements maintain provisions for general obligations, representations, agreements, collateral, and events of default or termination. The occurrence of a specified event of termination may give a counterparty the right to terminate all of its contracts and affect settlement of all outstanding transactions under the applicable Master Agreement.

The Fund may also enter into collateral agreements with certain counterparties to further mitigate OTC derivative and forward foreign currency contracts. Subject to established minimum levels, collateral is

**Table of Contents**

NOTES TO FINANCIAL STATEMENTS as of August 31, 2010 (Unaudited) (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

generally determined based on the net aggregate unrealized gain or loss on contracts with a certain counterparty. Collateral pledged to the Fund is held in a segregated account by a third-party agent and can be in the form of cash or debt securities issued by the U.S. government or related agencies.

The Fund's maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain in excess of any collateral pledged by the counterparty to the Fund. For purchased OTC options, the Fund bears the risk of loss in the amount of the premiums paid and the change in market value of the options should the counterparty not perform under the contracts. The Fund did not enter into any purchased OTC options during the six months ended August 31, 2010.

The Fund has credit related contingent features that if triggered would allow its derivatives counterparties to close out and demand payment or additional collateral to cover their exposure from the Fund. Credit related contingent features are established between the Fund and its derivatives counterparties to reduce the risk that the Fund will not fulfill its payment obligations to its counterparties. These triggering features include, but are not limited to, a percentage decrease in the Fund's net assets and or a percentage decrease in the Fund's NAV, which could cause the Fund to accelerate payment of any net liability owed to the counterparty. The contingent features are established within the Fund's Master Agreements.

Written options by the Fund do not give rise to counterparty credit risk, as written options obligate the Fund to perform and not the counterparty. As of August 31, 2010, the total value of written OTC call options subject to Master Agreements in a net liability position was \$512,177. If a contingent feature had been triggered, the Fund could have been required to pay this amount in cash to its counterparties. The Fund did not hold or post collateral for its open written OTC call options at year end.

*H. Forward Foreign Currency Contracts.* The Fund may enter into forward foreign currency contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities. When entering into a currency forward contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily and the Fund's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statement of assets and liabilities. Realized and unrealized gains and losses on forward foreign currency contracts are included on the Statement of Operations. These instruments involve market and/or credit risk in excess of the amount recognized in the statement of assets and liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates. The Fund did not enter into any forward foreign currency contracts during the six months ended August 31, 2010.

*I. Options Contracts.* The Fund may purchase put and call options and may write (sell) put options and covered call options. The premium received by the Fund upon the writing of a put or call option is included in the Statement of Assets and Liabilities as a liability which is subsequently marked-to-market until it is exercised or closed, or it expires. The Fund will realize a gain or loss upon the expiration or closing of the option contract. When an option is exercised, the proceeds on sales of the underlying security for a written call option or purchased put option or the purchase cost of the security for a written put option or a purchased call option is adjusted by the amount of premium received or paid. The risk in writing a call option is that the Fund gives up the opportunity for profit if the market price of the security increases and the option is exercised. The risk in buying an option is that the Fund pays a premium whether or not the option is exercised. Risks may also arise from an illiquid secondary market or from the

inability of counterparties to meet the terms of the contract.

The Fund seeks to generate gains from the OTC call options writing strategy over a market cycle to supplement the dividend yield of its underlying portfolio of high dividend yield equity securities. Please refer to Note 7 for the volume of written OTC call option activity during the six months ended August 31, 2010.

*J. Indemnifications.* In the normal course of business, the Fund may enter into contracts that provide certain indemnifications. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, based on experience,

**Table of Contents**

NOTES TO FINANCIAL STATEMENTS as of August 31, 2010 (Unaudited) (continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

management considers the risk of loss from such claims remote.

**NOTE 3 INVESTMENT MANAGEMENT AND ADMINISTRATIVE FEES**

ING Investments, LLC ( ING Investments or the Investment Adviser ), an Arizona limited liability company, is the Investment Adviser of the Fund. The Fund pays the Investment Adviser for its services under the investment management agreement ( Management Agreement ), a fee, payable monthly, based on an annual rate of 1.15% of the Fund s average daily managed assets. For purposes of the Management Agreement, managed assets are defined as the Fund s average daily gross asset value, minus the sum of the Fund s accrued and unpaid dividends on any outstanding preferred shares and accrued liabilities (other than liabilities for the principal amount of any borrowings incurred, commercial paper or notes issued by the Fund and the liquidation preference of any outstanding preferred shares). As of August 31, 2010, there were no preferred shares outstanding.

The Investment Adviser entered into sub-advisory agreements (each a Sub-Advisory Agreement and collectively the Sub-Advisory Agreements ) with ING Investment Management Asia/Pacific (Hong Kong) Limited ( ING IM Asia/Pacific ) and ING Investment Management Advisors B.V. ( IIMA ). Subject to policies as the Board or the Investment Adviser might determine, ING IM Asia/Pacific and IIMA manage the Fund s assets in accordance with the Fund s investment objectives, policies and limitations.

ING Funds are permitted to invest end-of-day cash balances into ING Institutional Prime Money Market Fund. Investment management fees paid by the Fund will be reduced by an amount equal to the management fees paid indirectly to the ING Institutional Prime Money Market Fund with respect to assets invested by the Fund. For the six months ended August 31, 2010, the Fund did not invest in ING Institutional Prime Money Market Fund and thus waived no such management fees. These fees are not subject to recoupment.

ING Funds Services, LLC (the Administrator ) serves as Administrator to the Fund. The Fund pays the Administrator for its services a fee based on an annual rate of 0.10% of the Fund s average daily managed assets. The Investment Adviser, ING IM Asia/Pacific, IIMA, and the Administrator are indirect, wholly-owned subsidiaries of ING Groep N.V. ( ING Groep ). ING Groep is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services.

ING Groep has adopted a formal restructuring plan that was approved by the European Commission in November 2009 under which the ING life insurance businesses, including the retirement services and investment management businesses, which include the Investment Adviser and its affiliates, would be divested by ING Groep by the end of 2013. While there can be no assurance that it will be carried out, the restructuring plan presents certain risks, including uncertainty about the effect on the businesses of the ING entities that service the Fund and potential termination of the Fund s existing advisory agreement, which may trigger the need for shareholder approval of new agreements.

**NOTE 4 OTHER TRANSACTIONS WITH AFFILIATED AND RELATED PARTIES**

As of August 31, 2010, the Fund had the following amounts recorded as payable to affiliates on the accompanying Statement of Assets and Liabilities:

**Accrued**



<b>Investment Management Fees</b>	<b>Accrued Administrative Fees</b>	<b>Total</b>
\$191,697	\$17,765	\$209,462

The Fund has adopted a Retirement Policy ( Policy ) covering independent trustees of the Trust who were trustees on or before May 9, 2007, and who will have served as an independent trustee for at least five years as of the date of their retirement (as that term is defined in the Policy). Benefits under the Policy are based on an annual rate as defined in the Policy.

The Fund has adopted a Deferred Compensation Plan (the Plan ), which allows eligible non-affiliated trustees as described in the Plan to defer the receipt of all or a portion of the trustees fees payable. Amounts deferred are treated as though invested in various notional funds advised by ING Investments until distribution in accordance with the Plan.

**NOTE 5 PURCHASES AND SALES OF INVESTMENT SECURITIES**

The cost of purchases and proceeds from sales of investments for the six months ended August 31, 2010, excluding short-term securities, were \$115,037,942 and \$120,598,912, respectively.

**Table of Contents**

NOTES TO FINANCIAL STATEMENTS as of August 31, 2010 (Unaudited) (continued)

**NOTE 6 OTHER ACCRUED EXPENSES AND LIABILITIES**

At August 31, 2010, the Fund had the following expenses included in Other Accrued Expenses and Liabilities on the Statement of Assets and Liabilities that exceeded 5% of total liabilities:

<b>Accrued Expense</b>	<b>Amount</b>
Custody	\$50,551

**NOTE 7 TRANSACTIONS IN WRITTEN OPTIONS**

Transactions in written OTC call options on indices were as follows:

	<b>Number of Contracts</b>	<b>Premiums Received</b>
Balance at 02/28/10	53,650,100	\$ 1,204,776
Options Written	317,566,525	6,554,349
Options Expired	(102,796,925)	(3,184,670)
Options Exercised		
Options Terminated in Closing Purchase Transactions	(213,375,500)	(3,507,362)
Balance at 08/31/10	55,044,200	\$ 1,067,093

**NOTE 8 CONCENTRATION OF INVESTMENT RISKS**

All mutual funds involve risk some more than others and there is always the chance that you could lose money or not earn as much as you hope. The Fund's risk profile is largely a factor of the principal securities in which it invests and investment techniques that it uses. For more information regarding the types of securities and investment techniques that may be used by the Fund and its corresponding risks, see the Fund's most recent Prospectus and/or the Statement of Additional Information.

*Foreign Securities and Emerging Markets.* The Fund makes significant investments in foreign securities and securities issued by companies located in countries with emerging markets. Investments in foreign securities may entail risks not present in domestic investments. Since investments in securities are denominated in foreign currencies, changes in the relationship of these foreign currencies to the U.S. dollar can significantly affect the value of the investments and earnings of the Fund. Foreign investments may also subject the Fund to foreign government exchange restrictions, expropriation, taxation or other political, social or economic developments, as well as from movements in currency, security value and interest rate, all of which could affect the market and/or credit risk of the investments. The risks of investing in foreign securities can be intensified in the case of investments in issuers located in countries with emerging markets.

*Leverage.* Although the Fund has no current intention to do so, the Fund is authorized to utilize leverage through the issuance of preferred shares and/or borrowings, including the issuance of debt securities. In the event that the Fund

determines in the future to utilize investment leverage, there can be no assurance that such a leveraging strategy will be successful during any period in which it is employed.

*Asia Pacific Regional and Country Risks.* Investments in the Asia Pacific region are subject to special risks. The Asia Pacific region includes countries in all stages of economic development. Some Asia Pacific economies may be characterized by over-extension of credit, currency devaluations and restrictions, underdeveloped financial services sectors, heavy reliance on international trade, and economic recessions. In addition, the economies of many Asia Pacific countries are dependent on the economies of the United States, Europe and other Asian countries, and a deceleration in any of these economies could negatively impact the economies of Asia Pacific countries. Currency fluctuations, devaluations and trading restrictions in any one country can have a significant effect on the entire Asia Pacific region. Increased political and social instability in any Asia Pacific country could cause further economic and market uncertainty in the region, or result in significant downturns and volatility in the economies of Asia Pacific countries. The development of Asia Pacific economies, and particularly those of China, Japan and South Korea, may also be affected by political, military, economic and other factors related to North Korea.

## NOTE 9 CAPITAL SHARES

Transactions in capital shares and dollars were as follows:

	<b>Six Months Ended August 31, 2010</b>	<b>Year Ended February 28, 2010</b>
<b>Number of Shares</b>		
Reinvestment of distributions	101,248	120,256
Shares redeemed		(54,541)
Net increase in shares outstanding	101,248	(65,715)
<b>\$</b>		
Reinvestment of distributions	\$ 1,762,293	\$ 2,179,637
Shares redeemed		(527,346)
Net increase	\$ 1,762,293	\$ 1,652,291

### Share Repurchase Program

Effective December 2008, the Board authorized an open-market share repurchase program pursuant to

**Table of Contents**

NOTES TO FINANCIAL STATEMENTS as of August 31, 2010 (Unaudited) (continued)

**NOTE 9 CAPITAL SHARES (continued)**

which the Fund could have purchased, over the period ended December 31, 2009, up to 10% of its stock, in open-market transactions. There was no assurance that the Fund would purchase shares at any particular discount level or in any particular amounts. The share repurchase program sought to enhance shareholder value by purchasing shares trading at a discount from their NAV per share, in an attempt to reduce or eliminate the discount or to increase the NAV per share of the applicable remaining shares of the Fund.

For the year ended February 28, 2010, the Fund repurchased 54,541 shares, representing approximately 0.4% of the Fund's outstanding shares for a net purchase price of \$527,346 (including commissions of \$1,636). Shares were repurchased at a weighted-average discount from NAV per share of 13.62% and a weighted-average price per share of \$9.64.

**NOTE 10 FEDERAL INCOME TAXES**

The amount of distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles for investment companies. These book/tax differences may be either temporary or permanent. Permanent differences are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences are not reclassified. Key differences include the treatment of short-term capital gains, foreign currency transactions, income from passive foreign investment corporations and wash sale deferrals. Distributions in excess of net investment income and/or net realized capital gains for tax purposes are reported as return of capital.

Dividends paid by the Fund from net investment income and distributions of net realized short-term capital gains are, for federal income tax purposes, taxable as ordinary income to shareholders.

The tax composition of dividends and distributions in the current period will not be determined until after the Fund's tax year-end of December 31, 2010. The tax composition of dividends and distributions as of the Fund's most recent tax year-ends was as follows:

	<b>Tax Year Ended December 31, 2009</b>	
<b>Ordinary Income</b>		<b>Return of Capital</b>
\$4,130,460		\$19,471,116

The tax-basis components of distributable earnings and the expiration dates of the capital loss carryforwards which may be used to offset future realized capital gains for federal income tax purposes as of the tax year ended December 31, 2009 were:

<b>Unrealized Appreciation</b>	<b>Post-October Currency Loss Deferred</b>	<b>Capital Loss Carryforwards</b>	<b>Expiration Date</b>
------------------------------------	--	---------------------------------------	----------------------------

Edgar Filing: ING Asia Pacific High Dividend Equity Income Fund - Form N-CSRS

\$30,559,629	\$(27,589)	\$(20,931,051)	2016
		(48,053,405)	2017
		\$(68,984,456)	

The Fund's major tax jurisdictions are federal and Arizona. The earliest tax year that remains subject to examination by these jurisdictions is the Fund's initial tax year of 2007.

As of August 31, 2010, no provision for income tax is required in the Fund's financial statements as a result of tax positions taken on federal and state income tax returns for open tax years. The Fund's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state department of revenue.

**NOTE 11 SUBSEQUENT EVENTS**

*Distributions:* Subsequent to August 31, 2010, the Fund made a distribution of:

<b>Per Share Amount</b>	<b>Declaration Date</b>	<b>Payable Date</b>	<b>Record Date</b>
\$0.426	9/20/2010	10/15/2010	10/5/2010

Each quarter, the Fund will provide disclosures with distribution payments made that estimate the percentages of that distribution that represent net investment income, capital gains, and return of capital, if any. At the Fund's tax year end, the Fund may re-characterize payments over the course of the year across ordinary income, capital gains, and return of capital, if any. A significant portion of the quarterly distribution payments made by the Fund may constitute a return of capital.

The Fund has evaluated events occurring after the Statement of Assets and Liabilities date (subsequent events) to determine whether any subsequent events necessitated adjustment to or disclosure in the financial statements. Other than the above, no such subsequent events were identified.

**Table of Contents**

## SUMMARY PORTFOLIO OF INVESTMENTS

ING Asia Pacific High Dividend  
Equity Income Fund  
as of August 31, 2010 (Unaudited)

Shares		Value	Percent of Net Assets
<b>COMMON STOCK: 93.9%</b>			
	<b>Australia: 24.2%</b>		
243,995	Amtcor Ltd.	\$ 1,465,921	0.7
349,827	AMP Ltd.	1,573,971	0.8
120,883	Australia & New Zealand Banking Group Ltd.	2,441,211	1.2
233,179	BHP Billiton Ltd.	7,736,411	3.8
81,852	Commonwealth Bank of Australia	3,678,817	1.8
1,075,841	Goodman Fielder Ltd.	1,284,819	0.6
40,020	Macquarie Group Ltd.	1,343,854	0.7
162,304	National Australia Bank Ltd.	3,365,579	1.6
68,766	Orica Ltd.	1,539,716	0.7
132,430	QBE Insurance Group Ltd.	1,944,385	0.9
143,103	Sonic Healthcare Ltd.	1,407,837	0.7

Edgar Filing: ING Asia Pacific High Dividend Equity Income Fund - Form N-CSRS

72,009	Wesfarmers Ltd.	2,053,312	1.0
206,353	Westpac Banking Corp.	3,999,070	1.9
66,590	Woolworths Ltd.	1,646,026	0.8
	Other Securities	14,406,901	7.0
		<b>49,887,830</b>	<b>24.2</b>
	<b>China: 13.4%</b>		
5,566,000	Bank of China Ltd.	2,811,959	1.4
4,051,000	China Construction Bank	3,362,404	1.6
592,000	China Life Insurance Co., Ltd.	2,274,139	1.1
2,144,000	China Petroleum & Chemical Corp.	1,702,516	0.8
4,088,000	Industrial and Commercial Bank of China Ltd.	2,985,462	1.4
2,228,000	PetroChina Co., Ltd.	2,427,301	1.2
	Other Securities	12,081,312	5.9
		<b>27,645,093</b>	<b>13.4</b>
	<b>Hong Kong: 13.1%</b>		
634,500	BOC Hong Kong Holdings Ltd.	1,675,634	0.8
152,000	Cheung Kong Holdings Ltd.	1,924,647	0.9
472,500	China Mobile Ltd.	4,835,160	2.4
1,535,000	CNOOC Ltd.	2,652,148	1.3

Edgar Filing: ING Asia Pacific High Dividend Equity Income Fund - Form N-CSRS

245,909	Esprit Holdings Ltd.	1,387,423	0.7
120,600	Hang Seng Bank Ltd.	1,657,893	0.8
248,000	HongKong Electric Holdings	1,508,198	0.7
90,000	Sun Hung Kai Properties Ltd.	1,270,377	0.6
	Other Securities	10,085,471	4.9
		<b>26,996,951</b>	<b>13.1</b>
	<b>India: 6.8%</b>		
83,639	ICICI Bank Ltd.	1,752,352	0.8
44,948	Infosys Technologies Ltd.	2,592,254	1.3
82,204	Reliance Industries Ltd.	1,606,360	0.8
	Other Securities	8,139,633	3.9
		<b>14,090,599</b>	<b>6.8</b>
	<b>Indonesia: 2.4%</b>		
	Other Securities	<b>4,903,322</b>	<b>2.4</b>
	<b>Malaysia: 3.2%</b>		
646,000	Malayan Banking BHD	1,717,413	0.8
	Other Securities	4,917,293	2.4
		<b>6,634,706</b>	<b>3.2</b>
	<b>New Zealand: 0.4%</b>		
	Other Securities	<b>714,393</b>	<b>0.4</b>



	<b>Philippines: 0.3%</b>		
	Other Securities	<b>578,718</b>	<b>0.3</b>
	<b>Singapore: 4.6%</b>		
208,500	DBS Group Holdings Ltd.	2,141,667	1.0
239,000	Keppel Corp. Ltd.	1,583,895	0.8
432,000	Singapore Press Holdings Ltd.	1,302,871	0.6
104,000	United Overseas Bank Ltd.	1,439,229	0.7
	Other Securities	3,089,247	1.5
		<b>9,556,909</b>	<b>4.6</b>
	<b>South Korea: 12.4%</b>		
7,075	Hyundai Motor Co.	837,741	0.4
45,262	KB Financial Group, Inc.	1,839,235	0.9
25,849	KT&G Corp.	1,316,352	0.6
5,041	LG Chem Ltd.	1,454,691	0.7
20,174	LG Corp.	1,447,002	0.7
4,785	Posco	1,939,002	0.9
7,388	Samsung Electronics Co., Ltd.	4,671,033	2.3
	Other Securities	12,097,383	5.9
		<b>25,602,439</b>	<b>12.4</b>

	<b>Taiwan: 11.5%</b>		
361,088	HON HAI Precision Industry Co., Ltd.	1,273,188	0.6
133,265	MediaTek, Inc.	1,815,670	0.9
2,096,052	Taiwan Semiconductor Manufacturing Co., Ltd.	3,833,152	1.8
	Other Securities	16,838,487	8.2
		<b>23,760,497</b>	<b>11.5</b>

See Accompanying Notes to Financial Statements

**Table of Contents**

**SUMMARY PORTFOLIO OF INVESTMENTS**

ING Asia Pacific High Dividend

Equity Income Fund

as of August 31, 2010 (Unaudited) (continued)

Shares		Value	Percent of Net Assets
	<b>Thailand: 1.6%</b>		
	Other Securities	<b>\$ 3,322,183</b>	<b>1.6</b>
	Total Common Stock (Cost \$187,332,882)	<b>193,693,640</b>	<b>93.9</b>
<b>REAL ESTATE INVESTMENT TRUSTS: 3.6%</b>			
	<b>Australia: 1.3%</b>		
174,188	Westfield Group	1,947,087	0.9
	Other Securities	797,060	0.4
		<b>2,744,147</b>	<b>1.3</b>
	<b>Hong Kong: 0.7%</b>		
509,000	Link Real Estate Investment Trust	<b>1,491,031</b>	<b>0.7</b>
	<b>Singapore: 1.6%</b>		
2,381,000	Ascendas India Trust	1,686,286	0.9
962,733	Ascendas Real Estate Investment Trust	1,475,483	0.7
		<b>3,161,769</b>	<b>1.6</b>
	Total Real Estate Investment Trusts (Cost \$7,157,470)	<b>7,396,947</b>	<b>3.6</b>

**PREFERRED STOCK: 1.0%**

Edgar Filing: ING Asia Pacific High Dividend Equity Income Fund - Form N-CSRS

	<b>South Korea: 1.0%</b>		
21,950	Hyundai Motor Co.	926,324	0.5
2,443	Samsung Electronics Co., Ltd.	1,086,744	0.5
	Total Preferred Stock (Cost \$1,772,043)	<b>2,013,068</b>	<b>1.0</b>
	<b>Total Investments in Securities (Cost \$196,262,395)*</b>	<b>\$ 203,103,655</b>	<b>98.5</b>
	<b>Other Assets and Liabilities - Net</b>	<b>3,012,507</b>	<b>1.5</b>
	<b>Net Assets</b>	<b>\$ 206,116,162</b>	<b>100.0</b>

Other Securities represents issues not identified as the top 50 holdings in terms of market value and issues or issuers not exceeding 1% of net assets individually or in aggregate respectively as of August 31, 2010.

The following footnotes apply to either the individual securities noted or one or more of the securities aggregated and listed as a single line item.

\* Cost for federal income tax purposes is \$197,540,586.

Net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$ 22,425,892
Gross Unrealized Depreciation	(16,862,823)
Net Unrealized Appreciation	\$ 5,563,069

Industry	Percentage of Net Assets
Consumer Discretionary	6.5%
Consumer Staples	6.4
Energy	7.0
Financials	34.7
Health Care	1.5
Industrials	9.0
Information Technology	12.7
Materials	12.2
Telecommunication Services	5.3
Utilities	3.2
Other Assets and Liabilities - Net	1.5

**Net Assets** **100.0%**

**Fair Value Measurements<sup>^</sup>**

The following is a summary of the fair valuations according to the inputs used as of August 31, 2010 in valuing the Fund's assets and liabilities:

	<b>Quoted Prices in Active Markets for Identical Investments (Level 1)</b>	<b>Other Observable Inputs# (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Fair Value at 8/31/2010</b>
<b>Asset Table</b>				
<b>Investments, at value</b>				
Common Stock				
Australia	\$	\$ 49,887,830	\$	\$ 49,887,830
China		27,645,093		27,645,093
Hong Kong	2,652,148	24,344,803		26,996,951
India		14,090,599		14,090,599
Indonesia		4,903,322		4,903,322
Malaysia		6,634,706		6,634,706
New Zealand		714,393		714,393
Philippines		578,718		578,718
Singapore		9,556,909		9,556,909
South Korea		25,602,439		25,602,439
Taiwan		23,760,497		23,760,497
Thailand		3,322,183		3,322,183
<b>Total Common Stock</b>	<b>2,652,148</b>	<b>191,041,492</b>		<b>193,693,640</b>
Real Estate Investment Trusts Preferred Stock	1,686,286	5,710,661 2,013,068		7,396,947 2,013,068
<b>Total Investments, at value</b>	<b>\$ 4,338,434</b>	<b>\$ 198,765,221</b>	<b>\$</b>	<b>\$ 203,103,655</b>
<b>Liabilities Table</b>				
<b>Other Financial Instruments+:</b>				
Written options		(512,177)		(512,177)
<b>Total Liabilities</b>	<b>\$</b>	<b>\$ (512,177)</b>	<b>\$</b>	<b>\$ (512,177)</b>

See Accompanying Notes to Financial Statements



**Table of Contents****SUMMARY PORTFOLIO OF INVESTMENTS**

ING Asia Pacific High Dividend

Equity Income Fund

as of August 31, 2010 (Unaudited) (continued)

^ See Note 2, Significant Accounting Policies in the Notes to Financial Statements for additional information.

+ Other Financial Instruments are derivatives not reflected in the Portfolio of Investments and may include open forward foreign currency contracts, futures, swaps, and written options. Forward foreign currency contracts and futures are reported at their unrealized gain/loss at measurement date which represents the amount due to/from the Fund. Swaps and written options are reported at their market value at measurement date.

# The earlier close of the foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim and may materially affect the value of those securities. To account for this, the Portfolio may frequently value many of its foreign equity securities using fair value prices based on third party vendor modeling tools to the extent available. Accordingly, a significant portion of the Portfolio's investments are categorized as Level 2 investments.

**Written OTC Call Options**

# of Contracts	Counterparty	Description	Expiration Date	Strike Price/Rate	Premiums Received	Fair Value
4,800	Merrill Lynch & Co., Inc.	Australia S&P/ASX 200 Index	09/09/10	4,363.359 AUD	\$ 422,030	\$ (299,402)
5,300	Morgan Stanley	Hong Kong Hang Seng Index	09/09/10	20,983.934 HKD	301,069	(50,605)
55,000,000	Morgan Stanley	Korea KOSPI 200 Index	09/09/10	225.250 KRW	209,418	(147,337)
34,100	Goldman Sachs & Co.	Taiwan TAIEX Index	09/09/10	7,808.480 TWD	134,576	(14,833)
					\$ 1,067,093	\$ (512,177)

A summary of derivative instruments by primary risk exposure is outlined in the following tables.

The fair value of derivative instruments as of August 31, 2010 was as follows:

**Derivatives not accounted for as hedging instruments**

**Location on Statement of Assets and Liabilities**

**Fair Value**

**Liability Derivatives**

Equity contracts	Written options, at fair value	\$ 512,177
<b>Total Liability Derivatives</b>		<b>\$ 512,177</b>

**The effect of derivative instruments on the Fund's Statement of Operations for the six months ended August 31, 2010 was as follows:**

	<b>Amount of Realized Gain or (Loss) on Derivatives Recognized in Income Written Options</b>
<b>Derivatives not accounted for as hedging instruments</b>	
Equity contracts	\$ 774,073
<b>Total</b>	<b>\$ 774,073</b>

	<b>Change in Unrealized Appreciation or (Depreciation) on Derivatives Recognized in Income Written Options</b>
<b>Derivatives not accounted for as hedging instruments</b>	
Equity contracts	\$ 697,880
<b>Total</b>	<b>\$ 697,880</b>

**Supplemental Option Information (Unaudited)**

**Supplemental Call Option Statistics as of August 31, 2010**

% of Total Net Assets against which calls written	25.38%
Average Days to Expiration at time written	27 days
Average Call Moneyness* at time written	ATM
Premium received for calls	\$1,067,093
Value of calls	\$(512,177)

\* Moneyness is the term used to describe the relationship between the price of the underlying asset and the option's exercise or strike price. For example, a call (buy) option is considered in-the-money when the value of the underlying asset exceeds the strike price. Conversely, a put (sell) option is considered in-the-money when its strike price exceeds the value of the underlying asset. Options are characterized for the purpose of Moneyness as, in-the-money ( ITM ), out-of-the-money ( OTM ) or at-the-money ( ATM ), where the underlying asset value is above or below the strike price.



See Accompanying Notes to Financial Statements

**Table of Contents**

SHAREHOLDER MEETING INFORMATION (Unaudited)

**A special meeting of shareholders of the ING Asia Pacific High Dividend Equity Income Fund was held June 22, 2010, at the offices of ING Funds, 7337 East Doubletree Ranch Road, Scottsdale, AZ 85258.**

**Proposal:**

To elect three members of the Board of Trustees to represent the interests of the holders of Common Shares of the Fund, with all three individuals to serve as Class III Trustees, for a term of three-years, and until the election and qualification of their successors.

	<b>Proposal*</b>	<b>Shares Voted For</b>	<b>Shares Voted Against or Withheld</b>	<b>Shares Abstained</b>	<b>Total Shares Voted</b>
Class III Trustees	<b>John V. Boyer</b>	10,563,420.583	203,504.777		10,766,925.360
	<b>Patricia W. Chadwick</b>	10,557,793.470	209,131.890		10,766,925.360
	<b>Sheryl K. Pressler</b>	10,561,892.832	205,032.528		10,766,925.360

\* Proposal Passed

**Table of Contents**

ADDITIONAL INFORMATION (Unaudited)

During the period, there were no material changes in the Fund's investment objective or policies that were not approved by the shareholders or the Fund's charter or by-laws or in the principal risk factors associated with investment in the Fund. Effective July 15, 2010, Pranay Gupta and Bing Li replaced Teik Cheah and Bratin Sanyal as individuals who are responsible for the day-to-day management of the Fund's portfolio. Effective September 30, 2010, Edwin Cuppen is added and Frank van Etten is removed as individuals who are responsible for the day-to-day management of the Fund's portfolio.

During the period, the Fund reduced its quarterly distribution from \$0.448 to \$0.426 per quarter, commencing with the distribution paid on July 15, 2010.

**Dividend Reinvestment Plan**

Unless the registered owner of Common Shares elects to receive cash by contacting BNY (the Plan Agent), all dividends declared on Common Shares of the Fund will be automatically reinvested by the Plan Agent for shareholders in additional Common Shares of the Fund through the Fund's Dividend Reinvestment Plan (the Plan). Shareholders who elect not to participate in the Plan will receive all dividends and other distributions in cash paid by check mailed directly to the shareholder of record (or, if the Common Shares are held in street or other nominee name, then to such nominee) by the Plan Agent. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Plan Agent prior to the dividend record date; otherwise such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution. Some brokers may automatically elect to receive cash on your behalf and may re-invest that cash in additional Common Shares of the Fund for you. If you wish for all dividends declared on your Common Shares of the Fund to be automatically reinvested pursuant to the Plan, please contact your broker.

The Plan Agent will open an account for each Common Shareholder under the Plan in the same name in which such Common Shareholder's Common Shares are registered. Whenever the Fund declares a dividend or other distribution (together, a Dividend) payable in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in Common Shares. The Common Shares will be acquired by the Plan Agent for the participants' accounts, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized Common Shares from the Fund ( Newly Issued Common Shares ) or (ii) by purchase of outstanding Common Shares on the open market ( Open-Market Purchases ) on the NYSE or elsewhere. Open-market purchases and sales are usually made through a broker affiliated with the Plan Agent.

If, on the payment date for any Dividend, the closing market price plus estimated brokerage commissions per Common Share is equal to or greater than the net asset value per Common Share, the Plan Agent will invest the Dividend amount in Newly Issued Common Shares on behalf of the participants. The number of Newly Issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the Dividend by the net asset value per Common Share on the payment date; provided that, if the net asset value is less than or equal to 95% of the closing market value on the payment date, the dollar amount of the Dividend will be divided by 95% of the closing market price per Common Share on the payment date. If, on the payment date for any Dividend, the net asset value per Common Share is greater than the closing market value plus estimated brokerage commissions, the Plan Agent will invest the Dividend amount in Common Shares acquired on behalf of the participants in Open-Market Purchases. In the event of a market discount on the payment date for any Dividend, the Plan Agent will have until the last business day before the next date on which the Common Shares trade on an ex-dividend basis or 30 days after the payment date for such Dividend, whichever is sooner (the Last Purchase Date), to invest the Dividend amount in Common Shares acquired in Open-Market Purchases.

It is contemplated that the Fund will pay quarterly Dividends. Therefore, the period during which Open-Market Purchases can be made will exist only from the payment date of each Dividend through the date before the next ex-dividend date, which typically will be approximately ten days.

If, before the Plan Agent has completed its Open-Market Purchases, the market price per common share exceeds the net asset value per Common Share, the average per Common Share purchase price paid by the Plan Administrator may exceed the net asset value of the Common Shares, resulting in the acquisition of fewer Common Shares than if the Dividend had been paid in Newly Issued Common Shares on the Dividend

**Table of Contents**

ADDITIONAL INFORMATION (Unaudited) (continued)

payment date. Because of the foregoing difficulty with respect to Open-Market Purchases, the Plan provides that if the Plan Agent is unable to invest the full Dividend amount in Open-Market Purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Agent will cease making Open-Market Purchases and will invest the un-invested portion of the Dividend amount in Newly Issued Common Shares at the net asset value per common share at the close of business on the Last Purchase Date provided that, if the net asset value is less than or equal to 95% of the then current market price per Common Share, the dollar amount of the Dividend will be divided by 95% of the market price on the payment date.

The Plan Agent maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common Shares in the account of each Plan participant will be held by the Plan Agent on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants.

In the case of shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Plan.

There will be no brokerage charges with respect to Common Shares issued directly by the Fund. However, each participant will pay a pro rata share of brokerage commissions incurred in connection with Open-Market Purchases. The automatic reinvestment of Dividends will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such Dividends. Participants that request a partial or full sale of shares through the Plan Agent are subject to a \$15.00 sales fee and a \$0.10 per share brokerage commission on purchases or sales, and may be subject to certain other service charges.

The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants with regard to purchases in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants.

All questions concerning the Plan should be directed to the Fund's Shareholder Service Department at (800) 992-0180.

**KEY FINANCIAL DATES CALENDAR 2010 DISTRIBUTIONS:**

<b>Declaration Date</b>	<b>Ex-Dividend Date</b>	<b>Payable Date</b>
March 19, 2010	April 1, 2010	April 15, 2010
June 21, 2010	July 1, 2010	July 15, 2010
September 20, 2010	October 1, 2010	October 15, 2010
December 20, 2010	December 29, 2010	January 17, 2011

*Record date will be two business days after each Ex-Dividend Date. These dates are subject to change.*

**Stock Data**

The Fund's common shares are traded on the NYSE (Symbol: IAE).

### **Repurchase of Securities by Closed-End Companies**

In accordance with Section 23(c) of the 1940 Act, and Rule 23c-1 under the 1940 Act the Fund may from time to time purchase shares of beneficial interest of the Fund in the open market, in privately negotiated transactions and/or purchase shares to correct erroneous transactions.

### **Number of Shareholders**

The approximate number of record holders of Common Stock as of August 31, 2010 was 8,779 which does not include beneficial owners of shares held in the name of brokers of other nominees.

### **Certifications**

In accordance with Section 303A.12 (a) of the New York Stock Exchange Listed Company Manual, the Fund's CEO submitted the Annual CEO Certification on May 28, 2010 certifying that he was not aware, as of that date, of any violation by the Fund of the NYSE's Corporate governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Fund's principal executive and financial officers have made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q, relating to, among other things, the Fund's disclosure controls and procedures and internal controls over financial reporting.

**Table of Contents**

**Investment Adviser**

ING Investments, LLC  
7337 East Doubletree Ranch Road, Suite 100  
Scottsdale, Arizona 85258

**Administrator**

ING Funds Services, LLC  
7337 East Doubletree Ranch Road, Suite 100  
Scottsdale, Arizona 85258

**Transfer Agent**

BNY Mellon Shareowner Services  
480 Washington Boulevard  
Jersey City, NJ 07310-1900

**Custodian**

The Bank of New York Mellon  
One Wall Street  
New York, New York 10286

**Legal Counsel**

Dechert LLP  
1775 I Street, N.W.  
Washington, D.C. 20006

**Toll-Free Shareholder Information**

Call us from 9:00 a.m. to 7:00 p.m. Eastern time on any business day for account or other information, at  
(800) 992-0180

PRSAR-UIAE

(0810-102210)

---

**Table of Contents**

**Item 2. Code of Ethics.**

Not required for semi-annual filing.

**Item 3. Audit Committee Financial Expert.**

Not required for semi-annual filing.

**Item 4. Principal Accountant Fees and Services.**

Not required for semi-annual filing.

**Item 5. Audit Committee Of Listed Registrants.**

Not required for semi-annual filing.

**Item 6. Schedule of Investments.**

**ING Asia Pacific High Dividend Equity Income Fund**

**PORTFOLIO OF INVESTMENTS  
as of August 31, 2010 (Unaudited)**

Shares		Value
<b>COMMON STOCK:</b>		<b>93.9%</b>
	<b>Australia:</b>	<b>24.2%</b>
243,995	Ancor Ltd.	\$ 1,465,921
349,827	AMP Ltd.	1,573,971
120,883	Australia & New Zealand Banking Group Ltd.	2,441,211
113,987	Bendigo Bank Ltd.	857,302
233,179	BHP Billiton Ltd.	7,736,411
296,790	BlueScope Steel Ltd.	569,904
81,852	Commonwealth Bank of Australia	3,678,817
19,499	CSL Ltd.	573,250
742,018	CSR Ltd.	1,130,756
1,075,841	Goodman Fielder Ltd.	1,284,819
431,121	Macquarie Airports Management Ltd.	1,139,801
40,020	Macquarie Group Ltd.	1,343,854
303,565	Metcash Ltd.	1,186,838
162,304	National Australia Bank Ltd.	3,365,579
474,175	OneSteel Ltd.	1,223,130
68,766	Orica Ltd.	1,539,716
86,439	Origin Energy Ltd.	1,176,273
132,430	QBE Insurance Group Ltd.	1,944,385
13,303	Rio Tinto Ltd.	835,497
143,103	Sonic Healthcare Ltd.	1,407,837
169,990	Suncorp-Metway Ltd.	1,266,534
146,344	TABCORP Holdings Ltd.	833,081



Edgar Filing: ING Asia Pacific High Dividend Equity Income Fund - Form N-CSRS

297,492	Tattersall s Ltd.	633,695
457,681	Telstra Corp. Ltd.	1,124,122
72,009	Wesfarmers Ltd.	2,053,312
206,353	Westpac Banking Corp.	3,999,070
21,296	Woodside Petroleum Ltd.	796,481
66,590	Woolworths Ltd.	1,646,026
57,218	WorleyParsons Ltd.	1,060,237
		<b>49,887,830</b>
	<b>China:</b>	<b>13.4%</b>
450,000	Angang New Steel Co., Ltd.	640,720
5,566,000	Bank of China Ltd.	2,811,959
934,000	Bank of Communications Co., Ltd.	996,431
4,051,000	China Construction Bank	3,362,404
1,712,000	China Dongxiang Group Co.	910,239
592,000	China Life Insurance Co., Ltd.	2,274,139
2,144,000	China Petroleum & Chemical Corp.	1,702,516
1,056,800	China Zhongwang Holdings Ltd.	629,879
1,446,000	Fujian Zijin Mining Industry Co., Ltd.	1,008,172
604,000	Guangzhou R&F Properties Co., Ltd.	881,797
1,600,000	Huaneng Power International, Inc.	965,895
4,088,000	Industrial and Commercial Bank of China Ltd.	2,985,462
812,000	Jiangsu Expressway Co., Ltd.	795,146
2,228,000	PetroChina Co., Ltd.	2,427,301
6,364,000	Renhe Commercial Holdings Co. Ltd	1,268,048
1,957,000	Soho China Ltd.	1,258,455
60,400	Tencent Holdings Ltd.	1,113,022
1,313,000	Want Want China Holdings Ltd.	1,063,731
616,000	Zhejiang Expressway Co., Ltd.	549,777
		<b>27,645,093</b>
	<b>Hong Kong:</b>	<b>13.1%</b>
69,000	ASM Pacific Technology	562,822
634,500	BOC Hong Kong Holdings Ltd.	1,675,634
152,000	Cheung Kong Holdings Ltd.	1,924,647
472,500	China Mobile Ltd.	4,835,160
240,000	China Resources Enterprise	1,005,110
89,500	CLP Holdings Ltd.	685,043
1,535,000	CNOOC Ltd.	2,652,148
774,000	Cosco Pacific Ltd.	1,026,166
245,909	Esprit Holdings Ltd.	1,387,423
120,600	Hang Seng Bank Ltd.	1,657,893
77,600	Hong Kong Exchanges and Clearing Ltd.	1,222,131
248,000	HongKong Electric Holdings	1,508,198
162,000	Hutchison Whampoa Ltd.	1,200,607
118,500	Kingboard Chemicals Holdings	561,519
242,000	Li & Fung Ltd.	1,232,866
122,000@	Orient Overseas International Ltd.	984,268
242,000	Shanghai Industrial Holdings Ltd.	1,185,270

Edgar Filing: ING Asia Pacific High Dividend Equity Income Fund - Form N-CSRS

802,000	Skyworth Digital Holdings Ltd.		419,669
90,000	Sun Hung Kai Properties Ltd.		1,270,377
			<b>26,996,951</b>
	<b>India:</b>	<b>6.8%</b>	
99,432	Hindustan Lever Ltd.		560,814
83,639	ICICI Bank Ltd.		1,752,352
44,948	Infosys Technologies Ltd.		2,592,254
16,457	Larsen & Toubro Ltd.		634,522
39,891	Mahindra & Mahindra Ltd.		532,150
43,569	Oil & Natural Gas Corp. Ltd.		1,243,350
111,391	Piramal Healthcare Ltd.		1,181,432
56,639@	Reliance Capital Ltd.		916,051
82,204	Reliance Industries Ltd.		1,606,360
35,567	Siemens India Ltd.		524,313
229,460	Sterlite Industries India Ltd.		739,389
24,296	Tata Power Co. Ltd.		632,142
105,774	Tata Steel Ltd.		1,175,470
			<b>14,090,599</b>
	<b>Indonesia:</b>	<b>2.4%</b>	
529,000	Astra Agro Lestari Tbk PT		1,155,982
1,122,000	Bank Rakyat Indonesia		1,159,277
1,397,000	International Nickel Indonesia Tbk PT		664,644
1,648,500	Perusahaan Gas Negara PT		732,781
225,000	PT Astra International Tbk		1,190,638
			<b>4,903,322</b>
	<b>Malaysia:</b>	<b>3.2%</b>	
425,000	Berjaya Sports Toto BHD		559,364
621,700	Gamuda Bhd		679,893
416,300	IOI Corp. Bhd		694,245
646,000	Malayan Banking BHD		1,717,413
429,300	PLUS Expressways Bhd		570,801
179,700	Tanjong PLC		1,226,500
1,056,800	Telekom Malaysia BHD		1,186,490
			<b>6,634,706</b>
	<b>New Zealand:</b>	<b>0.4%</b>	
136,070	Fletcher Building Ltd.		714,393
			<b>714,393</b>
	<b>Philippines:</b>	<b>0.3%</b>	
10,760@	Philippine Long Distance Telephone Co.		578,718

578,718

**Singapore:**

4.6%

208,500	DBS Group Holdings Ltd.	2,141,667
239,000	Keppel Corp. Ltd.	1,583,895
82,000	Oversea-Chinese Banking Corp.	525,853
406,000	SembCorp Marine Ltd.	1,145,131
432,000	Singapore Press Holdings Ltd.	1,302,871
344,000	Singapore Telecommunications Ltd.	783,843
104,000	United Overseas Bank Ltd.	1,439,229
137,000	Wilmar International Ltd.	634,420

9,556,909

**South Korea:**

12.4%

33,810	Dongkuk Steel Mill Co., Ltd.	678,477
40,960@	Doosan Infracore Co., Ltd.	660,230
14,963	GS Engineering & Construction Corp.	1,070,963
42,670	Hana Financial Group, Inc.	1,098,541
2,476	Hyundai Heavy Industries	546,348
5,374	Hyundai Mobis	974,748
7,075	Hyundai Motor Co.	837,741
50,710	Kangwon Land, Inc.	928,990
45,262	KB Financial Group, Inc.	1,839,235
2,386	KCC Corp.	593,154
33,280	Korea Electric Power Corp.	811,039
23,770	Korea Investment Holdings Co., Ltd.	625,115
25,849	KT&G Corp.	1,316,352
5,041	LG Chem Ltd.	1,454,691
20,174	LG Corp.	1,447,002
19,630	LG Display Co., Ltd.	549,838
3,529	NCSOFT Corp.	678,528
4,785	Posco	1,939,002
5,820	Samsung Electro-Mechanics Co. Ltd.	554,697
7,388	Samsung Electronics Co., Ltd.	4,671,033
21,820	Shinhan Financial Group Ltd.	835,676
8,497	SK Energy Co., Ltd.	906,930
51,870	Woori Finance Holdings Co., Ltd.	584,109

25,602,439

**Taiwan:**

11.5%

204,269	Acer, Inc.	480,952
178,000	Asustek Computer, Inc.	1,185,444
451,000	Cathay Financial Holding Co., Ltd.	647,587
491,000	Chicony Electronics Co. Ltd.	880,855
1,293,522	China Steel Corp.	1,222,357
568,550	Chunghwa Telecom Co., Ltd.	1,167,697
798,000	Coretronic Corp.	1,074,936
516,000	Far EasTone Telecommunications Co., Ltd.	669,701
21,274	First Financial Holding Co., Ltd.	12,279

Edgar Filing: ING Asia Pacific High Dividend Equity Income Fund - Form N-CSRS

1,059,936	Fubon Financial Holding Co., Ltd.		1,232,396
361,088	HON HAI Precision Industry Co., Ltd.		1,273,188
967,619	Lite-On Technology Corp.		1,116,478
133,265	MediaTek, Inc.		1,815,670
1,884,000	Mega Financial Holdings Co., Ltd.		1,135,929
956,000	POU Chen Corp.		772,774
679,350	Quanta Computer, Inc.		1,032,318
314,000	Taiwan Fertilizer Co., Ltd.		959,039
2,096,052	Taiwan Semiconductor Manufacturing Co., Ltd.		3,833,152
546,000	U-Ming Marine Transport Corp.		1,055,177
718,523	Wistron Corp.		1,125,580
1,883,000	Yuanta Financial Holding Co., Ltd.		1,066,988
			<b>23,760,497</b>
	<b>Thailand:</b>	<b>1.6%</b>	
210,200	Advanced Info Service PCL		620,510
129,600	Bangkok Bank PCL		634,127
682,900	Charoen Pokphand Foods PCL		557,613
1,369,000	Krung Thai Bank PCL		629,561
1,174,500	PTT Aromatics & Refining PCL		880,372
			<b>3,322,183</b>
	Total Common Stock ( Cost \$187,332,882 )		<b>193,693,640</b>
	<b>REAL ESTATE INVESTMENT TRUSTS:</b>	<b>3.6%</b>	
	<b>Australia:</b>	<b>1.3%</b>	
1,074,849	Dexus Property Group		797,060
174,188	Westfield Group		1,947,087
			<b>2,744,147</b>
	<b>Hong Kong:</b>	<b>0.7%</b>	
509,000	Link Real Estate Investment Trust		1,491,031
			<b>1,491,031</b>
	<b>Singapore:</b>	<b>1.6%</b>	
2,381,000	Ascendas India Trust		1,686,286
962,733	Ascendas Real Estate Investment Trust		1,475,483
			<b>3,161,769</b>
	Total Real Estate Investment Trusts ( Cost \$7,157,470 )		<b>7,396,947</b>

<b>PREFERRED STOCK:</b>		<b>1.0%</b>	
	<b>South Korea:</b>		<b>1.0%</b>
21,950	Hyundai Motor Co.		926,324
2,443	Samsung Electronics Co., Ltd.		1,086,744
	Total Preferred Stock ( Cost \$1,772,043 )		<b>2,013,068</b>
	Total Long-Term Investments ( Cost \$196,262,395 )		<b>203,103,655</b>
	<b>Total Investments in Securities</b> ( Cost \$196,262,395 ) *	<b>98.5%</b>	<b>\$ 203,103,655</b>
	<b>Other Assets and Liabilities Net</b>	<b>1.5</b>	<b>3,012,507</b>
	<b>Net Assets</b>	<b>100.0%</b>	<b>\$ 206,116,162</b>

@ Non-income  
producing  
security

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-end Management Investment Companies.**

Not applicable.

**Item 8. Portfolio Managers of Closed-end Management Investment Companies.**

Not applicable.

**Item 9. Purchases of Equity Securities by Closed-end Management Investment Company and Affiliated Purchasers.**

Not applicable.

**Item 10. Submission of Matters to a Vote of Security Holders.**

The Board has a Nominating Committee for the purpose of considering and presenting to the Board candidates it proposes for nomination to fill Independent Trustee vacancies on the Board. The Committee currently consists of all Independent Trustees of the Board. (6 individuals). The Nominating Committee operates pursuant to a Charter approved by the Board. The primary purpose of the Nominating Committee is to consider and present to the Board the candidates it proposes for nomination to fill vacancies on the Board. In evaluating candidates, the Nominating Committee may consider a variety of factors, but it has not at this time set any specific minimum qualifications that must be met. Specific qualifications of candidates for Board membership will be based on the needs of the Board at the time of nomination.

The Nominating Committee is willing to consider nominations received from shareholders and shall assess shareholder nominees in the same manner as it reviews its own nominees. A shareholder nominee for director should be submitted in writing to the Fund's Secretary. Any such shareholder nomination should include at a minimum the following information as to each individual proposed for nomination as trustee: such individual's written consent to be named in the proxy statement as a nominee (if nominated) and to serve as a trustee (if elected), and all information relating to such individual that is required to be disclosed in the solicitation of proxies for election of trustees, or is otherwise required, in each case under applicable federal securities laws, rules and regulations.

The secretary shall submit all nominations received in a timely manner to the Nominating Committee. To be timely, any such submission must be delivered to the Fund's Secretary not earlier than the 90th day prior to such meeting and not later than the close of business on the later of the 60th day prior to such meeting or the 10th day following the day on which public announcement of the date of the meeting is first made, by either disclosure in a press release or in a document publicly filed by the Fund with the Securities and Exchange Commission.

---

**Table of Contents**

**Item 11. Controls and Procedures.**

- (a) Based on our evaluation conducted within 90 days of the filing date, hereof, the design and operation of the registrant's disclosure controls and procedures are effective to ensure that material information relating to the registrant is made known to the certifying officers by others within the appropriate entities, particularly during the period in which Forms N-CSR are being prepared, and the registrant's disclosure controls and procedures allow timely preparation and review of the information for the registrant's Form N-CSR and the officer certifications of such Form N-CSR.
- (b) There were no significant changes in the registrant's internal controls that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 12. Exhibits.**

- (a)(1) The Code of Ethics is not required for the semi-annual filing.
  - (a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act (17 CFR 270.30a-2) is attached hereto as EX-99.CERT.
  - (a)(3) Not required for semi-annual filing.
  - (b) The officer certifications required by Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto as EX-99.906CERT.
-

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): ING Asia Pacific High Dividend Equity Income Fund

By /s/ Shaun P. Mathews

Shaun P. Mathews  
President and Chief Executive  
Officer

Date: November 4, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Shaun P. Mathews

Shaun P. Mathews  
President and Chief Executive  
Officer

Date: November 4, 2010

By /s/ Todd Modic

Todd Modic  
Senior Vice President and Chief Financial Officer

Date: November 4, 2010